

B&M
12 Dec 00

TOLLING AGREEMENT

BY AND BETWEEN

AES MEDINA VALLEY COGEN, L.L.C.

and

CENTRAL ILLINOIS LIGHT COMPANY

Dated as of _____, 2000

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EXHIBITS

Exhibit A	- Description of Facility and Designation of Delivery Points
Exhibit B	- Allowances for Scheduled Maintenance
Exhibit C	- Determination of Availability of the Facility
Exhibit D	- Facility Operating Procedures and Operating Limitations
Exhibit E	- Specifications for Steam Heat Service, Chilled Water Service, Water and Condensate
Exhibit F	- Heat Rate Payment and Heat Rate Bonus
Exhibit G	- Fixed and Variable Payments
Exhibit H	- Insurance Requirements

TOLLING AGREEMENT

This Tolling Agreement (this "Agreement") made as of _____, 2000, by and between AES Medina Valley Cogen, L.L.C. ("Medina"), an Illinois limited liability company, and Central Illinois Light Company ("CILCO"), an Illinois corporation (individually a "Party," and collectively the "Parties"). Capitalized terms not otherwise defined herein shall have the meaning given in Article 1.

WITNESSETH:

WHEREAS, Medina will build, own, operate and maintain an approximately 38.7MW (net) at ISO Conditions combined cycle cogeneration Facility, described on Exhibit A, and located at the Site leased from Caterpillar at its Plant;

WHEREAS, the Facility will be connected at 13.8kV to a substation owned by CILCO located at the Plant to deliver Energy, and will provide Steam Heat Service and Chilled Water Service to CILCO at the respective Delivery Points therefor;

WHEREAS, CILCO is an Illinois electric utility, and has entered into a Service Agreement with Caterpillar, dated as of December 29, 1999 (the "Service Agreement"), that provides for the re-sale of Energy, Steam Heat Service and Chilled Water Service by CILCO to Caterpillar;

WHEREAS, CILCO wishes to provide, or cause to be provided, Gas and Water to the Facility and, in turn, to receive from the Facility all of the Energy Capacity, Energy (other than station service Energy), Steam Heat Service Capacity, Steam Heat Service, Chilled Water Service Capacity, and Chilled Water Service; and

WHEREAS, Medina wishes to receive Gas and Water from CILCO, provide Gas Conversion Service and Water Conversion Service to CILCO, and deliver and make available to CILCO the Facility's Market Output, all in accordance with and subject to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants, representations and warranties herein contained, the Parties intending to be legally bound hereby agree as follows:

ARTICLE 1

DEFINITIONS AND INTERPRETATION

1.1 Defined Terms. Capitalized terms used in this Agreement shall have the following meanings, unless the context clearly requires otherwise:

"Affiliate" shall mean with respect to any person, any entity, and any other person (other than an individual) that, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, such person or entity. For purposes of the

foregoing definition, "control" means the direct or indirect ownership of more than fifty (50%) of the outstanding capital stock or other equity interests having ordinary voting power.

"Agreement" means this Agreement entitled "Tolling Agreement," and all Exhibits, Schedules and Appendices attached hereto.

"Availability" shall have the meaning given in Exhibit C.

"Availability Rebate" shall have the meaning given in Section 12.2.

"Bankruptcy" means that (a) a Party files a voluntary petition in bankruptcy or is adjudicated a bankrupt or insolvent, or files any petition or answer or consent seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief for itself under any present or future applicable Law relating to bankruptcy, insolvency, or other relief for debtors, or seeks or consents or acquiesces in the appointment of any trustee, receiver, conservator or liquidator of such Party or of all or any substantial part of its properties; (b) a court of competent jurisdiction enters an order, judgment or decree approving a petition filed against any Party seeking a reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the present or any future bankruptcy Law or Law relating to insolvency or other relief for debtors, and such Party acquiesces in the entry of such order, judgment or decree or such order, judgment or decree remains unvacated and unstayed for sixty (60) days from the date of entry thereof, or any trustee, receiver, conservator or liquidator of such Party or of all or any substantial part of its property is appointed without the consent or acquiescence of such Party and such appointment remains unvacated and unstayed for sixty (60) days; (c) a Party admits its inability to pay its debts as they mature; (d) a Party gives notice to any governmental body of insolvency or pending insolvency; or (e) a Party makes an assignment for the benefit of creditors or takes any other similar action for the protection or benefit of creditors.

"British Thermal Unit" or "Btu" means the amount of heat required to raise the temperature of one avoirdupois pound of water from fifty-nine degrees Fahrenheit (59 degrees F) to sixty degrees Fahrenheit (60 degrees F) at an absolute pressure of fourteen decimal six nine six (14.696) pounds per square inch. All calculations of Btus pursuant to this Agreement shall be on an HHV basis, if applicable.

"Btus/kWh" means British Thermal Units per kilowatt-hour.

"Business Day" means any day other than a Saturday, Sunday or other day on which commercial banks in Illinois are authorized or required by law to close.

"Capacity Test" means a test performed in accordance with Section 5.2 to determine the dependable Energy Capacity, Steam Heat Service Capacity and Chilled Water Service Capacity of the Facility corrected for ISO Conditions.

"Caterpillar" means Caterpillar, Inc.

"Check Meter" shall have the meaning given in Section 10.4.

"Chilled Water Service" means chilled water, expressed in ton-hours, produced by the Facility and delivered to CILCO at the Delivery Point.

"Chilled Water Service Availability" shall have the meaning given in Exhibit C.

"Chilled Water Service Capacity" means the maximum total amount of chilled water, expressed in tons of cooling, which the Facility is capable of producing for delivery at the Delivery Point.

"Chilled Water Service Fixed Payment" shall have the meaning given in Exhibit G.

"Chilled Water Service Output Meter" means the flow meters, pressure compensators, temperature compensators, integrators and related equipment utilized in determining the amount of Chilled Water Service delivered by Medina at the applicable Delivery Point.

"Commercial Operation Date" means any of the Commercial Operation Date for Chilled Water Service, the Commercial Operation Date for Energy, or the Commercial Operation Date for Steam Heat Service.

"Commercial Operation Date for Chilled Water Service" means the date upon which Medina gives notice to CILCO that the Commercial Operation Standards set forth in the EPC Contract are achieved with respect to Chilled Water Service and Medina is ready to begin providing Chilled Water Service to CILCO in accordance with this Agreement.

"Commercial Operation Date for Energy" means the date upon which Medina gives notice to CILCO that the Commercial Operation Standards set forth in the EPC Contract are achieved with respect to Energy and Medina is ready to begin providing Energy to CILCO in accordance with this Agreement.

"Commercial Operation Date for Steam Heat Service" means the date upon which Medina gives notice to CILCO that the Commercial Operation Standards set forth in the EPC Contract are achieved with respect to Steam Heat Service and Medina is ready to begin providing Steam Heat Service to CILCO in accordance with this Agreement.

"Commercial Operation Standards" means the standards and requirements specified in Appendix I of the EPC Contract, which are the standards and requirements that must be achieved with respect to Energy Capacity, Steam Heat Service Capacity and Chilled Water Service Capacity.

"Condensate" means water from the condensation of the steam provided by Steam Heat Service from the Facility.

"Consent and Agreement" means the Consent and Agreement to be entered into by and among Medina, CILCO and the Project Lender (or an agent for the Project Lender) pursuant to the provisions of Section 21.3.

"Contract Capacity" shall mean the following quantities from the Facility corrected to ISO Conditions: 38.7MW (net) of Energy Capacity, 410,000 lbs/hr of Steam Heat Service

Capacity for Steam Heat Service meeting the specifications in Exhibit E, and 7,200 tons of Chilled Water Service Capacity meeting the specifications in Exhibit E, which quantities shall be adjusted on the Commercial Operation Date based on Medina's determination and declaration of the Facility's actual available Energy Capacity, Steam Heat Service Capacity and Chilled Water Service Capacity in accordance with the Performance Tests performed under the EPC Contract.

"Contract Document" shall have the meaning given in Section 2.1.

"Contract Year" means each calendar year during the Term, except that the first Contract Year shall begin on the first Commercial Operation Date to occur and end on December 31, 2001, and the final Contract Year shall begin on January 1st of the last year of the Term and end on the Agreement termination date.

"Conversion Date" shall mean the date on which the Project Debt converts from construction financing to a term loan in accordance with the applicable Financing Document.

"CPT" means Central Prevailing Time, which is the local time in Peoria, Illinois.

"CT" shall have the meaning given in Exhibit A.

"Day" means the twenty-four (24) hour period commencing at 12:00 midnight CPT.

"Defaulting Party" shall have the meaning given in Section 16.1.1.

"Delayed Payment Rate" means a per annum rate of interest (computed on the basis of a 365-day year) equal to the lesser of (a) the prime commercial lending rate as quoted from time to time by The Wall Street Journal as the Prime Rate under the column known as "Money Rates", plus 2 percent (2%), and (b) the maximum rate permitted by applicable Illinois Law.

"Delivery Point" means the physical points described on Exhibit A, as the context requires, at which Energy, Steam Heat Service, Chilled Water Service, Gas, Wastewater, Condensate, or Water is to be delivered, made available, provided and measured (as applicable) pursuant to the provisions of this Agreement.

"Dispute" shall have the meaning given in Section 18.1.

"Dollars" or "\$" means United States dollars.

"Effective Date" shall have the meaning given in Section 24.1.

"Electrical Interconnection Facilities" means all structures, facilities, equipment, auxiliary equipment, devices and apparatus directly or indirectly required and installed to interconnect and deliver Energy to the Delivery Point, including electric transmission and distribution lines, transformation and switching equipment, Output Meters, Protective Apparatus, any other metering equipment, and communications and safety equipment, including equipment required to protect (i) the electrical system to which the Facility is connected and its customers from faults occurring at the Facility, and (ii) the Facility from faults occurring on the electrical

system to which the Facility is connected or on other electrical systems to which such electrical system is directly or indirectly connected.

"Energy" means electric energy, measured in kWh, produced by the Facility and delivered to CILCO at the Delivery Point.

"Energy Availability" shall have the meaning given in Exhibit C.

"Energy Capacity" means the maximum total amount of electrical capacity of the Facility, expressed in MW, from which the Facility is capable of producing Energy for delivery at the Delivery Point, corrected to ISO Conditions.

"Energy Fixed Payment" shall have the meaning given in Exhibit C.

"Energy Output Meter" means the electric meters and associated equipment, metering transformers and meters for measuring kilowatts, kilowatt-hours and reactive volt-ampere hours, utilized in determining the amount of Energy delivered or provided by Medina at the applicable Delivery Point.

"Environment" means soil, surface waters, groundwaters, land, stream sediments, surface or subsurface strata, ambient air, and any environmental medium.

"Environmental Law" means any Law existing as of the date hereof or subsequently enacted, relating to the protection of the Environment or Hazardous Materials, including without limitation: the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. § 9601 et seq.); the Hazardous Material Transportation Act, as amended (49 U.S.C. § 1801 et seq.); the Resource Conservation and Recovery Act, as amended (42 U.S.C. § 6901 et seq.); the Toxic Substances Control Act, as amended (42 U.S.C. § 7401 et seq.); the Clean Air Act, as amended (42 U.S.C. § 7401 et seq.); the Federal Water Pollution Control Act, as amended (33 U.S.C. § 1251 et seq.); the Illinois Environmental Protection Act; or any regulations promulgated pursuant to said Laws.

"EPC Contract" means the Agreement for Engineering, Procurement and Construction Services, to be entered into by Medina and Raymond Management Services Incorporated, pursuant to the provisions of the Letter of Intent, dated July 3, 2000, and which provides for the design, equipping and construction of the Facility.

"Event of Default" shall have the meaning given in Section 16.1.1.

"Facility" shall have the meaning given in the Recitals, and is more fully described in Exhibit A.

"Facility Operating Procedures" means the Facility Operating Procedures and Operating Limitations described or referred to in Exhibit D.

"FERC" means the Federal Energy Regulatory Commission or any successor agency thereto.

"Financing Document" means any loan or credit agreement and all related collateral security documentation, if any, now existing or hereafter executed, relating to (a) any indebtedness of Medina, or (b) any indebtedness of any member or Affiliate of Medina, secured by the assets of Medina, the membership interests in Medina, or by which the assets of Medina may be encumbered, in all events the proceeds of which, directly or indirectly, are used to finance or refinance the Facility.

"Fixed Payment" means the aggregate payments to be made by CILCO to Medina pursuant to Section 12.1.1 for Energy Capacity, Steam Heat Service Capacity and Chilled Water Service Capacity.

"Forced Outage" means the removal of the Facility, or a portion thereof, from service under circumstances that do not constitute a Scheduled Maintenance Outage or a Force Majeure Outage.

"Force Majeure" means any delay or failure of either Party to perform its obligations hereunder to the extent that it is caused by an event or occurrence beyond its reasonable control and not the result of willful or negligent action (or a lack of reasonable diligence), of the Party relying thereon. The foregoing definition shall not be construed to require that the non-performing Party observe a higher standard of conduct than that required by the usual and customary standards of the industry or other field of activity in question, as a condition to claiming the existence of Force Majeure. Changes in market or industry conditions shall not constitute Force Majeure. Work stoppages caused by strikes or lockouts at the Facility shall not constitute Force Majeure, unless due to disputes of a general or widespread nature.

"Force Majeure Outage" means the removal of the Facility, or a portion thereof, from service due to an event of Force Majeure.

"Gas" means pipeline quality natural gas.

"Gas Conversion Service" means the operation of the Facility by Medina to combust Gas delivered or caused to be delivered to the Facility by CILCO in order to generate and deliver at the applicable Delivery Point the resulting Energy, Steam Heat Service and Chilled Water Service.

"Gas Interconnection Facilities" means all structures, facilities, equipment, auxiliary equipment, devices and apparatus directly or indirectly required and installed to interconnect and deliver Gas to the Delivery Point, and accept Gas at the Delivery Point, including pipelines, lines, regulators, compressors, Gas Meter, and communications and safety equipment, including equipment required to protect the gas distribution and transportation system to which the facilities are connected.

"Gas Meter" means Gas meters and associated equipment utilized in determining the amount of Gas delivered to and consumed by the Facility.

"Good Operating Practice" shall mean the practices, methods, and acts engaged in or approved by a significant portion of the electric power industry and the gas industry during the relevant time period, or the practices, methods, and acts which, in the exercise of reasonable

judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result consistent with reliability, safety, expedition, the requirements of governmental agencies having jurisdiction and, if appropriate or relevant for the purchase or sale of electricity or gas in question, at the lowest reasonable cost; such term is not intended to be limited to the optimum practice, method or act to the exclusion of all others, but rather to constitute a spectrum of acceptable practices, methods or acts.

"Governmental Authority" means any federal, state, local or municipal governmental body; any governmental, regulatory or administrative agency, commission, body or other authority exercising or entitled to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power; or any court or governmental tribunal.

"Guaranteed Availability" shall have the meaning given in Section 5.3.

"Hazardous Materials" means (a) any petroleum or petroleum products, radioactive materials, asbestos in any form that is or could become friable, urea formaldehyde foam insulation, and transformers or other equipment that contain dielectric fluid containing polychlorinated biphenyls ("PCBs"); (b) any chemicals, materials or substances which are now or hereafter become defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "extremely hazardous wastes," "restricted hazardous wastes," "toxic substances," "toxic pollutants," "pollution," "pollutants," "regulated substances," or words of similar import, under any Environmental Law.

"Heat Rate" means, as calculated pursuant to Exhibit F, (i) the energy of the Gas consumed by the Facility, expressed in Btus (HHV), for each kWh of Energy generated, and (ii) the energy of the Gas consumed by the Facility, expressed in MMBtus (HHV), for each Klb of Steam Heat Service provided.

"Heat Rate Bonus" shall have the meaning given in Section 7.2.

"Heat Rate Payment" shall have the meaning given in Section 7.2.

"HHV" means the higher heating value for Gas.

"HRSG" shall have the meaning given in Exhibit A.

"Indemnatee" shall have the meaning given in Section 13.4.

"Indemnitor" shall have the meaning given in Section 13.4.

"ISO Conditions" means the reference temperature, humidity and pressure conditions established by the International Standards Organization.

"Interconnection Agreement" means the agreement between Medina and the Transmission Provider in respect of the electrical interconnection of the Facility under the Transmission Provider's Open Access Transmission Tariff.

"Klb" means 1000 lbs.

"kW" means kilowatt.

"kWh" means kilowatt-hour.

"Law" means any applicable federal, state, local or other constitution, charter, act, statute, law, ordinance, code, rule, regulation or order, or specified standards or objective criteria or requirements contained in any applicable permit or approval, or other legislative or administrative action of any Governmental Authority, or final decree, judgment or order of a court or arbitration panel, or mandatory engineering, construction, safety or operating standard or code.

"lbs/hr" means pounds per hour.

"Losses" shall have the meaning given in Section 13.1.

"MAIN" means the Mid-American Interconnected Network.

"Market Output" means the Energy Capacity, Energy (other than station service Energy), Steam Heat Service Capacity, Steam Heat Service, Chilled Water Service Capacity, and Chilled Water Service.

"Monthly Heat Rate" shall have the meaning given in Section 7.2.

"Monthly Heat Rate Guarantee" shall have the meaning given in Section 7.2.

"MMBtus" means million British Thermal Units.

"MMBtus/Klb" means million British Thermal Units per 1000 pounds of steam.

"Month" means the period beginning at 12:01 a.m. CPT on the first day of each calendar month and ending at the same hour on the first day of the next succeeding calendar month.

"MW" means megawatt.

"MWh" means megawatt-hour.

"NERC" means the North American Electric Reliability Council.

"O&M Charge" shall have the meaning given in Exhibit G.

"Operating Committee" shall have the meaning given in Section 11.2.

"Output Meters" means the Energy Output Meter, the Steam Heat Service Output Meter, and the Chilled Water Service Output Meter.

"Performance Tests" shall have the meaning given in the EPC Contract with respect to the testing that will be performed for satisfaction of the Commercial Operation Standards and Medina's acceptance of the Facility from the EPC Contractor.

"Plant" means Caterpillar's Performance Engine Products Division plant at Mossville, Illinois.

"PPI" means the Producer Price Index for Intermediate Materials, Supplies and Components published by the U.S. Bureau of Labor Statistics, or if not published, then a substantially similar measure published by the U.S. Government.

"Project Debt" means any loans or other amounts outstanding and owed by Medina, Medina's members, or any Affiliate of Medina under the Financing Documents.

"Project Lender" means any entity or entities providing debt financing or refinancing to Medina or any Affiliate of Medina under the Financing Documents in connection with the acquisition, construction, ownership, operation, maintenance, or leasing of the Facility.

"Protective Apparatus" means (a) equipment and apparatus, including protective electrical relays, circuit breakers and similar equipment, necessary and appropriate to isolate the Facility from the electric transmission and distribution system to which it is connected, (b) the safety valves and pressure and temperature protective devices necessary and appropriate to protect the Facility Steam Heat Service systems and chilled water service systems, and (c) the purge valves, relief valves, Gas and air interlocks, and protective relays necessary and appropriate to protect the Facility Gas supply systems, with (a), (b) and (c) in each case being consistent with Good Operating Practices.

"psig" means pounds per square inch gauge.

"Release" means any releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, disposing, or dumping into the Environment.

"Scheduled Maintenance" means the planned removal of the Facility from service to perform work on specific components that is scheduled in advance and has a predetermined start date and duration (e.g., annual overhaul, inspections, testing, major maintenance and routine maintenance).

"Scheduled Maintenance Outage" means the removal of the Facility, or a portion thereof, from service for Scheduled Maintenance pursuant to the provisions of Section 11.3 and Exhibit B.

"Site" means all real property upon which the Facility is located, including all easements, rights-of-way and other real property used in connection with the operation of the Facility.

"Start" means the action of bringing the Facility from shutdown to synchronization at its minimum load and the unconditional release of the Facility for ramping to the relevant Energy level in accordance with the Facility Operating Procedures.

"Steam Bonus" shall have the meaning given in Section 12.3.

"Steam Rebate" shall have the meaning given in Section 12.3.

“Steam Heat Service” means steam, expressed in pounds per hour, made by the Facility and delivered to CILCO at the Delivery Point.

“Steam Heat Service Availability” shall have the meaning given in Exhibit C.

“Steam Heat Service Capacity” means the maximum total amount of steam, expressed in lbs/hr, which the Facility is capable of making for delivery at the Delivery Point.

“Steam Heat Service Fixed Payment” shall have the meaning given in Exhibit G.

“Steam Heat Service Output Meter” means the flow meters, pressure compensators, temperature compensators, integrators and related equipment utilized in determining the amount of Steam Heat Service delivered by Medina at the applicable Delivery Point. The Steam Heat Service Output Meter shall be upstream of the applicable Delivery Point, as described on Exhibit A.

“STG” shall have the meaning given in Exhibit A.

“Taxes” means any or all federal, state and local, municipal, occupation, severance, generation, first use, conversion, Btus or power, transmission, utility, gross receipts, privilege, sales, use, consumption, excise, lease, ad valorem or property taxes, transaction, and other taxes, governmental charges, license fees, permit fees, assessments, or increases in or interest on or penalties relating to any of the foregoing, other than taxes based on net income or net worth.

“Term” shall have the meaning given in Article 3.

“Transmission Provider” means CILCO or any successor person providing transmission services for Energy from and after the Delivery Point.

“Transporter” means any pipeline on which any Gas is transported pursuant to this Agreement to the applicable Delivery Point.

“Variable Payments” means the aggregate payments to be made by CILCO to Medina pursuant to Section 12.1.2 for Energy, Steam Heat Service and Chilled Water Service.

“Wastewater” shall have the meaning given in Section 7.4.

“Wastewater Interconnection Facilities” means all structures, facilities, equipment, auxiliary equipment, devices and apparatus directly or indirectly required and installed to interconnect and deliver Wastewater to the Delivery Points at the Plant, including the Wastewater conveyance and discharge lines.

“Water” means water and Condensate meeting the specifications set forth on Exhibit E and delivered by CILCO for the purpose of the Facility providing the Energy, Steam Heat Service, Chilled Water Service and other Market Output under this Agreement.

"Water Conversion Service" means the operation of the Facility by Medina to accept Water delivered or caused to be delivered to the Facility by CILCO in order to generate and deliver at the applicable Delivery Point the Steam Heat Service and Chilled Water Service.

"Water Interconnection Facilities" means all structures, facilities, equipment, auxiliary equipment, devices and apparatus directly or indirectly required and installed to interconnect and deliver Water to the Facility at the Delivery Points, to accept Water at the Delivery Points, and to deliver Steam Heat Service and Chilled Water Service from the Facility to the Delivery Points, including steam pipes and headers, chilled water lines, Condensate return lines, water supply wells, pumps, the Steam Heat Service Output Meter and Chilled Water Service Output Meter, any other metering equipment, and communications and safety equipment.

1.2 Construction of Terms. As used in this Agreement, the terms "herein," "herewith" and "hereof" are references to this Agreement, taken as a whole; the terms "include," "includes" and "including" shall mean "including, but not limited to;" and references to a "Section," "subsection," "clause," "Article," "Exhibit," or "Schedule" shall mean a Section, subsection, clause, Article, Exhibit, or Schedule of this Agreement (including all paragraphs and provisions therein), as the case may be, unless in any such case the context clearly requires otherwise. All references to a given agreement, instrument or other document shall be a reference to that agreement, instrument or other document as modified, amended, supplemented and restated through the date as of which such reference is made, and reference to a Law includes any amendment of modification thereof. A reference to a person includes its successors and permitted assigns. The singular shall include the plural and the masculine shall include the feminine, and vice versa. Words importing persons or parties shall include firms, corporations, partnerships, limited partnerships, limited liability companies, and any other organization or entity having legal capacity.

ARTICLE 2

CONTRACT DOCUMENTS

2.1 Documents Included. This Agreement consists of this contract document entitled "Tolling Agreement" (this "Contract Document"), its Recitals, and each of the following Exhibits which are attached hereto and which are specifically incorporated herein and made a part of this Agreement by this reference:

- | | |
|-----------|--|
| Exhibit A | - Description of Facility and Designation of Delivery Points |
| Exhibit B | - Allowances for Scheduled Maintenance |
| Exhibit C | - Determination of Availability of the Facility |
| Exhibit D | - Facility Operating Procedures and Operating Limitations |
| Exhibit E | - Specifications for Steam Heat Service, Chilled Water Service, Water and Condensate |
| Exhibit F | - Heat Rate Payment and Heat Rate Bonus |
| Exhibit G | - Fixed and Variable Payments |
| Exhibit H | - Insurance Requirements |

2.2 Conflicting Provisions. In the event of any conflict or inconsistency between this Contract Document and any Exhibit hereto, the terms and provisions of this Contract Document, as amended from time to time, shall prevail and be given priority. Subject to the foregoing, the several documents and instruments forming part of this Agreement are to be taken as mutually explanatory of one another and in the case of ambiguities or discrepancies within or between such parts the same shall be explained and interpreted, if possible, in a manner which gives effect to each part and which avoids or minimizes conflicts among such parts.

2.3 Entire Agreement and Amendments. This Agreement sets forth the full and complete understanding of the Parties relating to the subject matter hereof as of the date of this Agreement, and supersedes any and all negotiations, agreements, understandings and representations made or dated prior thereto with respect to such subject matter. No change, amendment or modification of this Agreement shall be valid or binding upon the Parties unless such change, amendment or modification shall be in writing and duly executed by both Parties.

ARTICLE 3

TERM OF AGREEMENT

Subject to earlier termination in accordance with the provisions of this Agreement, the term of the Agreement (the "Term") shall commence, and the Agreement shall become effective, upon the Effective Date and shall end at 11:59 p.m. on July 1, 2021; provided, however, that any obligations of the Parties arising prior to the date and time of termination shall survive such termination. The Term may be extended by mutual written agreement of the Parties.

ARTICLE 4

PURCHASE AND SALE OF CAPACITY AND SERVICES

4.1 Contract Capacity and Market Output. Subject to the terms and conditions of this Agreement, upon and after the respective Commercial Operation Dates and thereafter during the Term, Medina shall sell and make available exclusively to CILCO, and CILCO shall purchase and pay for, the Contract Capacity and Market Output. No later than February 15, 2001, Medina shall make available to CILCO the Steam Heat Service Capacity and Steam Heat Service.

4.2 Service. Subject to the terms and conditions of this Agreement, commencing on the applicable Commercial Operation Date and thereafter during the Term, Medina shall perform for CILCO on an exclusive basis, and CILCO shall purchase and pay for, Gas Conversion Service with respect to Energy, Steam Heat Service and Chilled Water Service, as applicable, for Gas supplied to the Facility by or on behalf of CILCO. Subject to the terms and conditions of this Agreement, commencing on the applicable Commercial Operation Date and thereafter during the Term, Medina shall perform for CILCO on an exclusive basis, and CILCO shall purchase and pay for, Water Conversion Service with respect to Steam Heat Service and Chilled Water Service, as applicable, for Water supplied to the Facility by or on behalf of CILCO.

4.3 Limitation on Capacity and Service. Medina shall not be required to:

(a) Sell or make available to CILCO any Energy Capacity, Steam Heat Service Capacity or Chilled Water Service Capacity of the Facility (i) in excess of the Facility's Contract Capacity, (ii) during a Force Majeure Outage, subject to Section 5.5, (iii) during a Scheduled Maintenance Outage, or (iv) in the event CILCO fails to perform its obligations with respect to Wastewater in accordance with Section 7.4;

(b) Sell, make available or provide to or for CILCO any Gas Conversion Service, Water Conversion Service, Energy, Steam Heat Service, or Chilled Water Service (i) in excess of that available from the Facility's Contract Capacity, (ii) during a Force Majeure Outage, subject to Section 5.5, (iii) during a Scheduled Maintenance Outage, or (iv) in the event CILCO fails to perform its obligations with respect to Wastewater in accordance with Section 7.4;

(c) Sell, make available or provide to or for CILCO any Gas Conversion Service, Water Conversion Service, Energy, Steam Heat Service or Chilled Water Service (i) in excess of that available from the Gas and Water, conforming to applicable specifications, delivered to the Facility, and (ii) if less than eighty percent (80%) of the Condensate is returned to the Facility at the applicable Delivery Point, such Gas Conversion Service, Water Conversion Service, Energy, Steam Heat Service or Chilled Water Service as can be provided by the Facility using makeup water from the then-applicable capacity of the Facility's make-up water treatment system, and less the Steam Heat Service required to preheat make-up water; or

(d) Sell or make available to CILCO any Energy Capacity or Energy in excess of that which can be sold or made available because of the physical limitations of the Facility while providing Steam Heat Service and Chilled Water Service in accordance with the Facility Operating Procedures.

4.4 Test Energy and Services. CILCO shall purchase all Energy, Steam Heat Service and Chilled Water Service produced by Medina during any testing of the Facility prior to the applicable Commercial Operation Dates for the applicable Variable Payments set forth in Exhibit G.

ARTICLE 5

CONTRACT CAPACITY; AVAILABILITY; SCHEDULED MAINTENANCE AND FORCE MAJEURE OUTAGES

5.1 Contract Capacity. Beginning on the respective Commercial Operation Dates, Medina shall make the Contract Capacity of the Facility available to CILCO. Subject to Section 4.3, to normal wear and tear, and to normal degradation of the Facility's equipment, Medina shall use commercially reasonable efforts consistent with Facility Operating Procedures and Good Operating Practice to maximize the Market Output and to achieve the Contract Capacity during the Term.

5.2 Capacity Test. Upon sixty (60) days written notice from CILCO, but no more frequently than once each Contract Year, Medina shall perform a Capacity Test of the Energy Capacity, Steam Heat Service Capacity and Chilled Water Service Capacity of the Facility. The

test for the Energy Capacity shall be conducted as specified in Guide No. 3A, or any successor Guide, published by MAIN, except that the test shall be performed on the Facility and not individual generating units. The test procedure for the Facility's Steam Heat Service Capacity and Chilled Water Service Capacity shall be as agreed by the Parties at the time of the Capacity Test, the Parties understanding and agreeing that the provision of Steam Heat Service occurs at a different time than the provision of Chilled Water Service. If the Capacity Test results for the initial or succeeding Capacity Tests are less than the Contract Capacity, then either Party may request that the Capacity Test be re-run as soon as practicable.

5.3 Guaranteed Availability. Medina hereby guarantees to CILCO that, with respect to each service listed below, for each full Month following the respective Commercial Operation Date for such service during the Term, the Availability of the Facility during such full Month (in each case, the "Guaranteed Availability" for such Month) shall be as follows:

Month	Guaranteed Energy Availability	Guaranteed Steam Heat Service Availability	Guaranteed Chilled Water Service Availability
January	85%	85%	0%
February	85	85	0
March	85	76	0
April	85	76	70
May	90	50	90
June	94	50	90
July	94	50	90
August	94	50	90
September	94	50	90
October	90	76	70
November	85	76	0
December	85	85	0

Failure of the Facility to meet the Guaranteed Availability for any Month shall result in an Availability Rebate as set forth in Section 12.2 and calculated in accordance with Exhibit C.

5.4 Scheduled Maintenance Outages. Failure of the Facility to meet the Guaranteed Availability for any Month due to a Scheduled Maintenance Outage shall not result in an Availability Rebate. Accordingly, the value used for Contract Capacity in the calculation in Exhibit C of an Availability Rebate shall be reduced to account for Scheduled Maintenance Outages.

5.5 Force Majeure Outages. Except as otherwise set forth below in this Section 5.5, failure to achieve the Guaranteed Availability due to a Force Majeure Outage shall not result in a reduction in the Fixed Payments or in the payment of an Availability Rebate. In addition, notwithstanding the provisions set forth below in this Section 5.5, CILCO shall continue to pay Medina the O&M Charge during a Force Majeure Outage.

5.5.1 Fixed Energy Payment During Force Majeure. (a) For the first thirty (30) consecutive Days of a Force Majeure Outage with respect to Energy, CILCO shall continue to pay the Fixed Energy Payment, and Contract Capacity shall be reduced for purposes of the calculation of Energy Availability in Exhibit C to account for such Force Majeure Outage. After the first thirty (30) consecutive Days of a Force Majeure Outage with respect to Energy, the unavailability due to the Force Majeure Outage will not reduce Contract Capacity for the purposes of the calculation of Energy Availability in Exhibit C, and if applicable, an Availability Rebate will be payable if the Energy Availability of the Facility is less than the Guaranteed Availability due to such Force Majeure Outage, as provided in Section 12.2.

(b) After one-hundred eighty (180) consecutive Days of a Force Majeure Outage with respect to Energy, the amount of the Fixed Energy Payment shall be reduced by the amount of insurance proceeds received by, or to the account of, Medina for business interruption losses after such 180th Day due to the Force Majeure Outage.

5.5.2 Fixed Steam Heat Service Payment During Force Majeure. For the first fifteen (15) consecutive Days of a Force Majeure Outage with respect to Steam Heat Service, CILCO shall continue to pay the Fixed Steam Heat Service Payment, and Contract Capacity shall be reduced for purposes of the calculation of Steam Heat Service Availability in Exhibit C to account for such Force Majeure Outage. After the first fifteen (15) consecutive Days of a Force Majeure Outage with respect to Steam Heat Service, CILCO shall continue to pay the Fixed Steam Heat Service Payment if the Steam Heat Service Availability is at least equal to the percentage set forth below for the Month indicated. If the Steam Heat Service Availability is less than the percentage set forth below, then the Fixed Steam Heat Service Payment shall be reduced pro-rata proportionate to the amount by which the actual Steam Heat Service Availability is less than the percentage set forth below. Unavailability of the Facility with respect to Steam Heat Service due to the Force Majeure Outage will continue to reduce Contract Capacity for the purposes of the calculation of Steam Heat Service Availability in Exhibit C, and an Availability Rebate will not be payable if the Steam Heat Service Availability is less than the Guaranteed Availability due to a Force Majeure Outage.

Month	Minimum Steam Heat Service Availability (%)
January	61
February	61
March	61
April	29
May	29
June	29
July	29
August	29
September	29
October	29
November	61
December	61

5.5.3 Fixed Chilled Water Service Payment During Force Majeure. For the first fifteen (15) consecutive Days of a Force Majeure Outage with respect to Chilled Water Service, CILCO shall continue to pay the Fixed Chilled Water Service Payment, and Contract Capacity shall be reduced for purposes of the calculation of Chilled Water Service Availability in Exhibit C to account for such Force Majeure Outage. After the first fifteen (15) consecutive Days of a Force Majeure Outage with respect to Chilled Water Service, CILCO shall continue to pay the Fixed Chilled Water Service Payment, provided that, except during the Months of January, February, March, November and December, if the Chilled Water Service Availability is less than thirty-four percent (34%), then the Fixed Chilled Water Service Payment shall be reduced pro-rata proportionate to the amount by which the actual Chilled Water Service Availability is less than thirty-four percent (34%). Unavailability of the Facility with respect to Chilled Water Service due to a Force Majeure Outage will continue to reduce Contract Capacity for the purposes of the calculation of Chilled Water Service Availability in Exhibit C, and an Availability Rebate will not be payable if the Chilled Water Service Availability is less than the Guaranteed Availability due to a Force Majeure Outage.

ARTICLE 6

STEAM HEAT SERVICE, CHILLED WATER SERVICE AND ENERGY SPECIFICATIONS AND OPERATIONS

6.1 Coordination of Steam Heat Service, Chilled Water Service and Energy. Subject to the limitations in Section 4.3 and according to the Facility Operating Procedures in Exhibit D, Medina shall operate the Facility to provide Steam Heat Service and Chilled Water Service at the Delivery Points. CILCO shall purchase all Energy generated during the provision of Steam Heat Service and Chilled Water Service. The Facility Operating Procedures in Exhibit D may from time to time be amended in writing, signed by the Parties, as necessary to ensure the efficient, safe and competitive operation of the Facility.

6.2 Electric Specifications and Delivery. The Energy delivered by Medina shall be at 13.8kV volts, 60 hertz, and three phase, shall not adversely affect the voltage, frequency, waveshape or power factor of power at the Delivery Point, and shall be delivered at the Delivery Point in compliance with the Interconnection Agreement. CILCO shall be solely responsible for all transmission arrangements (including control area services), marketing arrangements, and associated costs and losses from and after the Delivery Point.

6.3 Steam Heat Service Specifications and Delivery. Steam Heat Service shall meet the specifications provided in Exhibit E and shall be delivered by Medina at the applicable Delivery Point. Operating procedures relating to the production of Steam Heat Service at the Facility and the utilization thereof as part of the Market Output are set forth in Exhibit D. CILCO shall receive all Steam Heat Service at the applicable Delivery Point and shall be solely responsible for all transmission and delivery arrangements, marketing arrangements, and associated costs and losses from and after the Delivery Point.

6.4 Chilled Water Service Specifications and Delivery. Chilled Water Service shall meet the specifications provided in Exhibit E and shall be delivered by Medina at the applicable Delivery Point. Operating procedures relating to the production of Chilled Water Service at the Facility and the utilization thereof as part of the Market Output are set forth in Exhibit D. CILCO shall receive all Chilled Water Service at the applicable Delivery Point and shall be solely responsible for all transmission and delivery arrangements, marketing arrangements, and associated costs and losses from and after the Delivery Point.

ARTICLE 7

GAS, HEAT RATE AND WATER

7.1 Gas.

7.1.1 Delivery. At its sole expense, CILCO shall deliver, or shall cause its Affiliate to deliver, to Medina at the applicable Delivery Point, and CILCO shall be capable of, or shall cause its Affiliate to be capable of, on or before December 15, 2000, delivering at the applicable Delivery Point, all quantities of Gas required by Medina (a) in connection with the start-up of the Facility and to perform the Performance Tests, (b) to generate Energy, and to provide Steam Heat Service, Chilled Water Service and other Market Output during the Term, in each case up to the Contract Capacity, and (c) to perform Starts. CILCO shall deliver, or cause its Affiliate to deliver, Gas hereunder at the applicable Delivery Point, and at the pressures in effect from time to time in the pipeline of CILCO or its Transporter. Medina shall provide CILCO such Market Output, Gas Conversion Services and Water Conversion Services as can be provided by the Facility using the quantity of Gas delivered by CILCO to the Facility. CILCO shall be responsible for all costs of Gas supply, scheduling, transportation and delivery arrangements, and associated costs and losses prior to the Delivery Point.

7.1.2 Specification and Quality. All Gas delivered by CILCO, or caused by CILCO to be delivered by its Affiliate, pursuant to Section 7.1.1 shall be pipeline quality natural gas. Medina shall have the right, to be exercised consistent with Good Operating Practices, to reject Gas that does not meet such Gas specification at the Delivery Point.

7.1.3 Measurement. Measurement of Gas quantities hereunder shall be in accordance with the established procedures pursuant to the applicable tariff of the delivering Transporter at the Delivery Point, and expressed in MMBtus.

7.2 Monthly Heat Rate Guarantee. Medina hereby guarantees to CILCO that, with respect to each Month during the Term, the Monthly average Heat Rate of the Facility utilizing Gas supplied by CILCO pursuant to Section 7.1 above (the "Monthly Heat Rate") shall not exceed 6,800 Btus/kWh for Energy and 1.361 MMBtus/Klb for Steam Heat Services, measured and calculated in the manner set forth in Exhibit F (the "Monthly Heat Rate Guarantee"). As the sole and exclusive remedy of CILCO for any failure of the Facility to achieve the Monthly Heat Rate Guarantee with respect to any Month, Medina shall pay CILCO (subject to the limitations set forth in Sections 17.1 and 17.2) a lumpsum amount for excess Gas utilized by the Facility during the Month as determined in accordance with the provisions of Exhibit F ("Heat Rate Payment"). As additional compensation to Medina for Gas Conversion Service and Water

Conversion Service, in the event that the Monthly Heat Rate with respect to any Month is better than the Monthly Heat Rate Guarantee, CILCO shall pay to Medina a lumpsum amount representing the Gas savings enjoyed by CILCO during the Month, as determined in accordance with the provisions of Exhibit F ("Heat Rate Bonus"). Within ten (10) days after the end of each Month, Medina shall make the calculations for the immediately preceding Month in accordance with Exhibit F and shall submit such determination in writing to CILCO, together with such documents and supporting information as CILCO may reasonably request. Such Monthly determination by Medina shall be deemed to be final and binding on the Parties for purposes of this Agreement, unless it is disputed in writing by CILCO within fifteen (15) days following the receipt thereof.

7.3 Water. At its sole expense, CILCO shall deliver, or shall cause to be delivered to Medina at the applicable Delivery Point, and CILCO shall be capable of, or shall cause others to be capable of, on or before November 15, 2000, delivering at the applicable Delivery Point, all quantities of Water required by Medina (a) in connection with the start-up of the Facility and to perform the Performance Tests, (b) to generate Energy, and to provide Steam Heat Service, Chilled Water Service and other Market Output during the Term, in each case up to the Contract Capacity, and (c) to perform Starts. Pursuant to Section 9.3, Medina shall construct the Water Interconnection Facilities on its side of the applicable Delivery Points to accept the Water. The date by which CILCO must deliver Water to the Facility shall be extended, if applicable, to and including the date on which Medina completes construction of such Water Interconnection Facilities.

7.3.1 Water Specifications. The Water delivered by CILCO shall meet the specifications set forth on Exhibit E. Medina shall have the right, to be exercised consistent with Good Operating Practices, to reject Water that does not meet the Water specification at the Delivery Point. Medina shall provide CILCO such Water Conversion Service, Steam Heat Service and Chilled Water Service as can be provided by the Facility using the quantity of Water delivered by CILCO to the Facility.

7.3.2 Water Costs. CILCO shall be responsible for all costs of Water supply, transportation and delivery arrangements, and associated costs and losses prior to the Delivery Point.

7.3.3 Condensate. The Condensate delivered by CILCO shall meet the specifications set forth on Exhibit E. CILCO shall use commercially reasonable efforts to cause not less than eighty percent (80%) of the volume of Steam Heat Service delivered at the Delivery Point to be returned to the Facility as Condensate. If less than eighty percent (80%) of the volume of Steam Heat Service is returned as Condensate, then the limitations in Section 4.3(c) shall apply.

7.4 Wastewater. At its sole expense, CILCO shall accept from Medina at the applicable Delivery Point, and CILCO shall be capable of accepting on or before December 15, 2000, for treatment and discharge in accordance with applicable Laws, all quantities of wastewater discharged by the Facility ("Wastewater"), including cooling tower blowdown, neutralized demineralizer regenerate wastewater, boiler blowdown, plant drains, stormwater runoff, oily water drains, and sanitary sewage.